

Adding to super from your pay

Worried you won't have enough in retirement? Adding a little extra to your super from your pay regularly, and starting early, can make a big difference when you're ready to hang up those boots.

Why do it?

For some the compulsory super guarantee (SG) contribution their employer provides may not be enough to achieve their retirement goals. That's why contributing extra to their super savings can be a big help now, in making their retirement plans a reality.

Types of contributions

Contributions to super are classified as either 'concessional' (paid from your before-tax salary) or 'non-concessional' (paid from your after-tax salary).





- **Before-tax (concessional) contributions:** includes employer contributions, salary sacrifice contributions and personal contributions if you have claimed a tax deduction.
- **After-tax (non-concessional) contributions:** includes personal contributions from money you have already paid tax on and contributions your spouse makes to your super account.

PLEASE NOTE

If you have not provided your Tax File Number (TFN) to BUSSQ, we will not be able to accept non-concessional contributions.

Ways to add to your super?

There are four ways you could add extra contributions to your super:

 <p>Salary sacrifice</p>	<p>Is when you give up or 'sacrifice' a portion of your before-tax salary to go directly into your super account. This contribution is setup with your employer under a 'salary sacrifice arrangement' and is additional to the SG amount paid by your employer. It can be a tax-effective way to boost your super as the tax rate of this concessional contribution is 15%. If you earn over \$250,000 per year, you'll pay an additional 15% tax (total of 30%). See our <i>Build Your Super with Salary Sacrifice</i> fact sheet for more details at bussq.com.au.</p>
 <p>Personal contributions</p>	<p>Is when you add extra money to your super using your take-home pay. As this is an after-tax contribution it will count towards your 'non-concessional contributions cap', unless you have claimed a tax deduction for it, in which case it will count towards your 'concessional contributions cap'. In certain instances, you may be able to claim a tax deduction on personal contributions if you meet the eligibility criteria. Contact us to find out more.</p>
 <p>Spouse contributions</p>	<p>Is when you make contributions on behalf of your spouse (e.g. husband, wife or de facto partner), into an account in their name. Contributions made on behalf of a low income or non-working spouse may qualify for a tax offset. You can claim an 18% tax offset on contributions of up to \$3,000 (so, a maximum of \$540) per year. The amount you can claim depends on how much they earn annually. A few requirements need to be met before contributing this way. Refer to the <i>BUSSQ Super Handbook</i> for more details.</p>
 <p>Government co-contribution</p>	<p>Is when the government may contribute up to \$500 per year to eligible low or middle income earners who make personal (after-tax) contributions to their super in the financial year. To see the eligibility rules, visit ato.gov.au.</p>

Adding to super from your pay

What are the benefits?

Here are some potential benefits from making extra super contributions:

- ✓ **Boost your super** - adding a little extra each week can make a significant impact come retirement time, thanks to the power of compounding returns (earning you interest on interest over the long term).
- ✓ **Pay less income tax** - contributing to your super can be an effective way to save on your tax bill and build your super at the same time.
- ✓ **Lower investment earnings tax** - as the investment earnings inside of super are taxed at 15%, it's generally lower than the tax you may pay on your returns outside of super.
- ✓ **Get a government bonus** - for eligible low to middle income earners who make personal (after-tax) contributions, they could receive up to \$500 per year into their super from the government.

How much can I contribute?

The government has set limits on how much you can contribute to your super without paying additional tax. Please see the following table to understand the current caps that apply and see the *BUSSQ Super Handbook* for more information at bussq.com.au.

Before-tax (concessional contribution cap)	\$27,500 p.a.	<p>If your total super balance is less than \$500,000 at the previous 30 June, you'll be able to carry forward any unused concessional contribution cap amounts for up to five consecutive years.</p> <p>Any excess contributions will be taxed at your marginal tax rate. There is a 15% tax offset to account for the contributions tax already paid.</p>
After-tax (non-concessional contribution cap)	\$110,000 p.a. or \$330,000 using the bring forward rule.	<p>If under age 75 on 1 July, you may be able to contribute up to three times the annual non-concessional contributions cap in a single year by bringing forward your non-concessional contributions cap for a two or three-year period. This is known as the 'bring-forward' rule. Eligibility conditions apply. For more information see ato.gov.au.</p> <p>If you have a total super balance of \$1.9 million or more across all super accounts at the previous 30 June, your non-concessional cap will be nil.</p>

Contributing to your BUSSQ account

BUSSQ makes it easy for you to build your super by giving you the flexibility to contribute in any of the following ways:

1. **BPAY, electronic transfer (EFT) or direct debit** - login to your online account at bussq.com.au and click 'Payment Options' to find BUSSQ's BPAY details or bank account details for an electronic transfer. For setting up a direct debit call us on **1800 692 877**.
2. **Through your employer** - speak with your employer to see if they can setup a salary sacrifice arrangement.

We're here to help



Our team are available to help you get your super contributions sorted. Call us on **1800 692 877** or email super@bussq.com.au.